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## 1.0 General Report Overview

The Medicaid Contract Settlement Worksheet will be utilized to identify and/or calculate the specialty managed care capitation (authorization) estimated for the fiscal year (FY), the maximum savings/lapse (Medicaid and/or Healthy Michigan) and verification that prior year savings has been utilized or has approval from the Michigan Department of Health and Human Services (MDHHS) to utilize in a future FY. The specialty managed care capitation utilized in this settlement is inclusive of the concurrent 1115 Behavioral Health Demonstration and 1915(c)/(i) Waivers.

**Note:** *Per Public Act 2 of 2021 Sec 251 (1), the specialty managed care capitation payments include the direct care wage premium pay increase identified in MSA L 21-30. The Medicaid Contract Settlement Worksheet will also be utilized to identify/calculate the estimated direct care wage funding and if a surplus or deficit exists for the fiscal year.*

The Medicaid Contract Settlement Worksheet will be utilized in tandem with the Medicaid Contract Reconciliation and Cash Settlement (CRCS). The CRCS worksheet provides a mechanism to close out the financial components of the Medicaid Managed Specialty Supports and Services Concurrent 1115 and 1915(c)/(i) Waiver Contract (contract). The CRCS will be used in evaluating any remaining financial obligations due to the PIHP or the MDHHS. The financial information reflected in the report should represent revenue and expenditures on an accrual basis of accounting, unless otherwise directed by MDHHS policy, through the fiscal year (FY) ending September 30<sup>th</sup> and recorded as specified in the contract. The CRCS summarizes the resources and expenditures associated to the contract, the disposition of funding (surplus/deficit) and the cash settlement of the contract.

Please refer to the instructions for the CRCS for further details.

## 2.0 Report - Due Dates

Refer to the reporting grid incorporated in Schedule E of the Contract for identification of report due dates. The reporting grid can be found on the MDHHS website:  
[https://www.michigan.gov/mdhhs/0,5885,7-339-71550\\_2941\\_38765---,00.html](https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941_38765---,00.html)


## 3.0 Report Submission

### 3.1 Report Submitted via US Mail

This is no longer applicable. Electronic report submission required.

### 3.2 Report Submission – Electronic

The report should be submitted electronically to the department by the due date identified in 2.0 above at [MDHHS-BHDDA-Contracts-MGMT@michigan.gov](mailto:MDHHS-BHDDA-Contracts-MGMT@michigan.gov).

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The report's file name must identify the reporting fiscal year, period covered (submission type), agency name, report title and date of submission.  
Example: For the FY XX Year End Interim submitted from network180 for the Medicaid Contract Settlement Worksheet, the file name should read **FYXX Year End Interim network180 FSR Bundle MM-DD-YYYY**.

**Note:** The Medicaid Contract Settlement Worksheet is included in the FSR Bundle. It is not a stand-alone report.

Refer to the Electronic Report Submission Guidelines for report submission specifications.

#### 4.0 Report Specific Navigation or Terminology

The Medicaid Contract Settlement worksheet includes cell shading to assist the end user with completion of the form.

Worksheet headers are shaded in light green.

Cells requiring data entry are shaded in yellow.

Cells that are formula driven and should not have data entered are not shaded.

Worksheet protection has been enabled.

Precision as displayed functionality has been enabled. As such, Excel will utilize the displayed value instead of the stored value when it recalculates formulas.

The term "Submission Type" on the worksheet refers to the reporting period. i.e., Interim, Final, Projection.

Column headings are specific to each section of the worksheet and may change from section to section. The column headings are shaded to assist in identification.

#### 5.0 Instructions for Completion of the Report


This report is only used by the PIHP

Enter the name of the PIHP on the line labeled "PIHP".

Select the appropriate Fiscal Year (FY) from the drop-down menu.

Select the Submission Type from the drop-down menu.

Enter the date of report submission on the line labeled "Submission Date"

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## 5.1 Section 1 – Specialty Managed Care – Medicaid

This section represents the estimated Medicaid specialty managed care capitation (authorization) including Autism funding that the PIHP will receive to fund services provided and authorized in the contract for the fiscal year being settled.

**Note:** *Effective FY20, the Medicaid managed care capitation revenue, excluding the DHS Incentive Payment, will be reported on a cash basis. The amounts reported should not include an accrual for the current contract year retroactive payment activity.*

### Column: Medicaid

This column represents the revenue/funding authorized under the 1115 Behavioral Health Demonstration waiver for State Plan, including the Autism EPSDT Benefit and 1915(i) services for both Mental Health and Substance Abuse Medicaid Specialty Managed Care capitation.

**Note:** *Effective FY20, the quarterly HRA Medicaid revenue should not be reported with Medicaid.*

### Column: Healthy Michigan Plan (HMP)

This column represents the revenue/funding authorized under the 1115 Behavioral Health Demonstration waiver for HMP services, including the Autism EPSDT Benefit for both Mental Health and Substance Abuse Medicaid Specialty Managed Care capitation

**Note:** *Effective FY20, the quarterly HRA HMP revenue should not be reported with HMP.*

### Column: Children's Waiver


This column represents the revenue/funding authorized under the 1915(c) waiver for Children's Waiver (CWP) services for Mental Health Medicaid Specialty Managed Care capitation.

### Column: SED

This column represents the revenue/funding authorized under the 1915(c) waiver for Serious Emotional Disturbance services for Mental Health Medicaid Specialty Managed Care capitation.

### Column: HSW

This column represents the revenue/funding authorized under the 1915(c) waiver for Habilitation Supports Waiver services for Mental Health Medicaid Specialty Managed Care capitation.

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**Column: DHIP**

This column represents the revenue/funding authorization for services authorized in the MDHHS Incentive payment.

**Column: Total**

This column represents the total available revenue/funding authorization for all categories of the Medicaid Specialty Managed Care, Healthy Michigan Plan, and DHIP. This column is formula driven. The formula is the *sum of Medicaid, Healthy Michigan Plan (HMP), Children's Waiver, SED, HSW and MDHHS Incentive Payment (DHIP)*.

**Column: FY Indicator**

This column was added to assist in identification of the fiscal year the revenue (cash and accruals) entered in the preceding columns relate to. The cells in this column are formula driven based on the fiscal year selected on this form and whether the rows in section 1 are relative to the Current Fiscal Year or a Prior Fiscal Year.

For this example:

Selected value for FISCAL YEAR: FY 19 / 20

Row 1.e – “Prior Fiscal Year 1 – Accrual Adjustment – Net”

The formula in the FY Indicator is: *IF Fiscal Year = “FY 19 / 20”, THEN “FY 19”, IF Fiscal Year = “FY 20 / 21”, THEN “FY 20”*

Thus, for this example, the cell will reflect FY 19 as the “Prior Fiscal Year 1”.

**Section 1.a – Current Fiscal Year – Medicaid Revenue received through 9/30**

Enter the amount of Medicaid, Healthy Michigan Plan (HMP), Children's Waiver, SED, HSW, and MDHHS Incentive Payment (DHIP) capitation received thru 9/30 for the current fiscal year.

**Section 1.b – Current Fiscal Year – Medicaid Revenue Accruals**


Enter the estimated accrual amount for (DHIP) capitation for the current fiscal year.

**Note:** *If the net accrual amount is an amount due back to the State of Michigan – enter as a negative amount.*

**Section 1.c – Less Direct Care Wage Revenue**

Per Public Act 2 of 2021 Sec 251 (1), the specialty managed care capitation payments include the direct care wage premium pay increase identified in MSA L 21-30.

The amounts will be utilized for reconciliation of the current fiscal year Medicaid, Healthy Michigan Plan (HMP), Children's Waiver, SED and HSW revenue received as of 9/30. The cell is formula driven. The formula is *less the Direct Care Wage – as*

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of 9/30 (incl retroactivity) (2.a) for the respective Medicaid specialty managed care fund sources.

#### **Section 1.d – Sub-Total Current Fiscal Year Medicaid Revenue**

This cell represents the cash and accrued specialty managed care capitation revenue/funding authorization for the current fiscal year. The cell is formula driven. The formula is the *sum of Current Fiscal Year – Medicaid Revenue rec'd thru 9/30 (1.a), Current Fiscal Year – Medicaid Revenue Accruals (1.b) and Less Direct Care Wage Revenue (1.c).*

#### **Section 1.e – Prior Fiscal Year 1 – Accrual Adjustment – Net**

Enter the net amount of any variance between the accrual assumptions reported for the prior fiscal year and the accrual assumptions at the close of the current fiscal year.

**Note:** *If the net accrual adjustment is a reduction to previous recognized revenue – enter as a negative amount.*

Example: FY19 Medicaid accrual at the close of FY19 was \$100,000. Specialty Managed Care capitation received during FY20 was \$90,000. At the close of FY20, there is still an open accrual of \$8,000; for a total of \$98,000 estimated FY19 revenues. The original accrual was \$100,000. The revised estimate for FY 19 Medicaid Specialty Managed Care is \$98,000. Therefore, a \$2,000 reduction (credit) would be entered as the net accrual adjustment.

#### **Section 1.f – Prior Fiscal Year 2 – Accrual Adjustment – Net**

Enter the net amount of any variance between the accrual assumptions reported for the fiscal year two years earlier and the actual capitation received for that fiscal year.


**Note:** *If the net accrual adjustment is a reduction to previous recognized revenue – enter as a negative amount.*

**Note:** *Medicaid eligibility for HSW capitation must be obtained within 24 months for payment to be made.*

Example: FY 18 Medicaid accrual at the close of FY 18 was \$50,000. Specialty Managed Care capitation received during FY 19 was \$50,000. The PIHP did not anticipate any additional capitation. During FY 20, the PIHP received an additional \$2,000 in HSW capitation. The PIHP would report a \$2,000 increase (debit) as the net accrual adjustment.

#### **Section 1.g – Other Adjustments (MDHHS Approval Required)**

Enter the net amount of any HSW accrual adjustment that does not fit into classification as Prior Fiscal Year 1 or Prior Fiscal Year 2.

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**Note:** In recognition that CHAMPS implementation, audit issues, and special circumstances exist, MDHHS added this row for any adjustments that do not specifically fit into 1.e or 1.f. **Prior to utilization of this row, MDHHS approval must be obtained.** If the PIHP obtains MDHHS approval and row 1.g is utilized, the PIHP must provide a brief description of this adjustment in row 1.i.

#### **Section 1.h – Sub-Total – Prior Year Accrual Adjustments**

This cell represents the total of any prior year accrual adjustments. The cell is formula driven. The formula is the *sum of Prior Fiscal Year 1- Accrual Adjustment – Net (1.e), Prior Fiscal Year 2 – Accrual Adjustment – Net (1.f), and Other Adjustments (DHHS Approval Required) (1.g).*

#### **Section 1.i – Total Medicaid Revenue – Current Year Settlement**

This cell represents the total cash and accrued revenue/funding authorization for the current settlement. The cell is formula driven. The formula is the *sum of Sub-Total Current Fiscal Year Medicaid Revenue (1.d) and Sub-Total – Prior Year Accrual Adjustments (1.h).*

#### **Section 1.j – Total Current Fiscal Year Performance Bonus Incentive Pool (PBIP) Withheld**

Per PA 107 of 2013 Sec 105d (18), the department shall withhold, at a minimum, .75% of payments to specialty prepaid health plans for the purpose of establishing a performance bonus incentive pool.

Enter the amount of the withhold for Medicaid, Healthy Michigan Plan (HMP), Children's Waiver, SED and HSW. The amount must be entered as a positive.


#### **Section 1.k – Explanation of Accrual Adjustments**

This section is reserved for the PIHP to provide an explanation of any prior year accrual adjustments, accrual methodology changes, one-time exceptions that distort the accrual adjustments, etc. This field is optional unless the net accrual adjustments are material, impact the risk corridor of the prior settled fiscal year, PIHP reported expenditures or an amount was reported in row 1.g – Other Adjustments (DHHS Approval Required).

### **5.2 Section 2 – MDHHS – Direct Care Wage Revenue**

This section summarizes the direct care wage funding authorized in Public Act 2 of 2021 Sec 251 (1) received through 9/30 for the October through September reporting period. The DCW funding is provided to the PIHP by the MDHHS in response to the COVID-19 pandemic and state of emergency. These funds shall be expended for the purpose that they were earmarked for and may not be redirected for any other use without prior written approval from the MDHHS. The funding per MSA L 21-30 will be cost settled separately.



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**Row 2.a – Direct Care Wage - as of 9/30 (incl retroactivity)**

Enter the direct care wage revenue, by fund source, received as of 9/30. The amounts reported represent the direct care wage revenue provided by the MDHHS.

**Row 2.b – (Less FY20 retroactive Direct Care Wage per MDHHS)**

Enter, by fund source, the direct care wage revenue related to the prior fiscal year retroactive payments. The amounts reported represent the prior fiscal year direct care wage retroactive revenue provided by the MDHHS and utilized to complete the prior fiscal year's direct care wage settlement. Enter as a negative amount.

**Row 2.c – Direct Care Wage - after 9/30**

Enter the direct care wage retroactive revenue, by fund source, received after 9/30 for the current fiscal year. The amounts reported represent the direct care wage current contract year retroactive revenue provided by the MDHHS.

**Row 2.d – Totals**

This cell represents the total direct care wage revenue for the October through September reporting period. The cell is formula driven. The formula is the *sum of Direct Care Wage - as of 9/30 (incl retroactivity) (2.a), (Less FY20 retroactive Direct Care Wage per MDHHS) (2.b), and Direct Care Wage - after 9/30 (2.c).*

**5.2.1 Section 2.1 – MDHHS – Direct Care Wage Settlement**

This section settles the direct care wage funding authorized in Public Act 2 of 2021 Sec 251 (1). The funding period identified in MSA L 21-30 will be cost settled separately. The unspent direct care wage funding shall lapse back to the MDHHS.

**Section 2.1 - Column: Revenue**


The amount in this column will represent the total funding for the October through September reporting period.

**Section 2.1 - Column: Expenditures**

The amount in this column will represent the expenditures associated to the October through September reporting period.

**Section 2.1 - Column: Lapse**

The column is formula driven. The formula is an IF/THEN statement. In common language, the IF/THEN is determining whether the direct care wage expenditures were greater than the direct care wage revenue or less than the direct care wage revenue (lapse). If the expenditures are less than the revenue, then the amount that must be returned to the MDHHS, otherwise zero.

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The statement is as follows: *IF the direct care wage expenditures less the direct care wage revenue is less than zero, THEN the direct care wage expenditures less the direct care wage revenue, otherwise zero.*

#### **Section 2.1 - Column: Cost Above Authorizations**

The column is formula driven. The formula is an IF/THEN statement. In common language, the IF/THEN is determining whether the direct care wage expenditures were less than the direct care wage revenue or greater than the direct care wage revenue (costs above authorization). If the expenditures are greater than revenue, the amount of expenditures above the revenue, otherwise zero.

The statement is as follows: *IF the direct care wage expenditures less the direct care wage revenue is greater than zero, THEN the direct care wage expenditures less the direct care wage revenue, otherwise zero.*

#### **Row 2.1.a – Direct Care Wage**

The Revenue column represents the total direct care wage funding for the October through September reporting period. The cell is formula driven. The formula is *plus MDHHS Direct Care Wage Revenue, Total (2.d).*

The Expenditures column represents the direct care wage expenditures associated to the October through September reporting period. The cell is formula driven. The formula is *plus FSR- Medicaid - Expenditure, Direct Care Wage (A 206) and FSR- Healthy Michigan - Expenditure, Direct Care Wage (AI 205).*

#### **Row 2.1.b – Totals**

This row represents the total direct care wage revenue, expenditures and settlement for the October through September reporting period. The cells are formula driven. The formula is *plus Direct Care Wage Revenue, Expenditures, Lapse, and Cost Above Authorizations (2.1.a) respectively.*

#### **Row 2.1.c – Explanation**


This section should be utilized to provide comments that would assist in the settlement process. If the space provided is not sufficient, additional information may be entered in Section 5 – Narrative: Both CRCS and Contract Settlement Worksheet.

### **5.3 Section 3 – Medicaid Savings / Medicaid Lapse Calculation**

This section is entirely formula driven. This section represents the calculation of Medicaid and Healthy Michigan savings and/or lapse excluding Direct Care Wage revenue/expenditures.

Effective April 1, 2014, MDHHS implemented the Healthy Michigan Plan. CMS has mandated, that at a minimum, MDHHS report the ISF, savings, and lapse for



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Medicaid and Healthy Michigan separately. In acknowledgement of the PIHPs risk exposure related to the Healthy Michigan Plan, if there is a surplus in both Medicaid and Healthy Michigan, the PIHP will be allowed flexibility in designation between Medicaid savings and Healthy Michigan savings (limited to the amount of actual surplus in each funding source). This flexibility will assist the PIHP in managing their risk associated with the Healthy Michigan population.

***However, if a shortfall in Medicaid or Healthy Michigan exists, surplus current year Medicaid or Healthy MI Plan funding should be utilized first, if a shortfall still exists then the Medicaid or Healthy MI Plan ISF. Please refer to the Medicaid Risk Calculation instructions for further details.***

### **Section 3.a – Specialty Managed Care – Medicaid Capitation**

This cell represents the specialty managed care capitation (Medicaid and Healthy Michigan) for the current FY. The cell is formula driven. The formula is *plus Shared Risk Calculation & Risk Financing – Specialty Managed Care – Medicaid Capitation (FSR Medicaid – A 101 + FSR HMP – AI 101 + Medicaid Worksheet – 1.j) columns Medicaid Amount HMP Amount and PBIP Amount (1.a1).*

#### **Section 3.a.1 – Band # 1 (95 – 100%)**

The PIHP shall retain unexpended risk corridor related funds between 95% and 100%. The cell is formula driven. The formula is *Specialty Managed Care – Medicaid Capitation (3.a) times 5% rounded to zero decimal places.*

#### **Section 3.a.2 – Band # 2 (90 – 95%)**

The second savings band is shared equally between the MDHHS and the PIHP. The cell is formula driven. The formula is *Specialty Managed Care – Medicaid Capitation (3.a) times 5% rounded to zero decimal places.*

### **Section 3.b – Balance Available for Savings (from Medicaid FSR)**


This cell represents surplus funds available for Medicaid savings and/or lapse to the MDHHS. The cell is formula driven and is an IF/THEN/ELSE statement. The formula is *IF Balance Medicaid Services (A 400) from the Medicaid FSR is less than or equal to zero, THEN zero, ELSE Balance Medicaid Services (A 400).*

### **Section 3.b.1 – Balance Available for Savings (from Healthy Michigan FSR)**

This cell represents surplus funds available for Healthy Michigan savings and/or lapse to the MDHHS. The cell is formula driven and is an IF/THEN/ELSE statement. The formula is *IF Balance Healthy Michigan Plan Services (AI 400) from the Healthy Michigan FSR is less than or equal to zero, THEN zero, ELSE Balance Healthy Michigan Plan Services (AI 400).*

### **Section 3.b.1 - Column: Total Lapse**

This column represents the portion of the surplus funding that must lapse to the MDHHS. The column is formula driven by band. For Band # 1, since the PIHP

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retains the first 5%, the cell is grayed out. For Band # 2, since the State and PIHP share equally in savings/lapse, the formula is *plus Band # 2 less Total Earned Savings*. For Band # 3, since the entire amount must be lapsed to the State, the formula is *plus Band # 3*.

### **Section 3.b.1 - Column: Total Earned Savings**

This column represents the portion of the surplus funding that the PIHP may earn as savings. The column is formula driven by band. For Band # 1, since the PIHP retains the first 5%, the formula is *plus Band # 1*. For Band # 2, since the State and PIHP share equally in savings and lapse, the formula is *Band # 2 (3.c.3) times 50% rounded to zero decimal places*. For Band # 3 Liability, since the entire amount must be lapsed to the State, the cell is grayed out.

### **Section 3.b.1 - Column: Total Savings Corridor**

The column represents the total savings corridor. The column is formula driven. The formula is the *sum of Total Lapse and Total Savings*.

### **Section 3.b.2 – Total Available for Savings**

This cell represents the total surplus funds (Medicaid and Healthy Michigan) available for savings and/or lapse to the MDHHS. The cell is formula driven. The formula is the *sum of Balance Available for Savings (from Medicaid FSR) (3.b) and Balance Available for Savings (from Healthy Michigan FSR) (3.b1)*.

**Note:** *In acknowledgement of the PIHPs risk exposure related to the Healthy Michigan Plan, if there is a surplus in both Medicaid and Healthy Michigan, the PIHP will be allowed flexibility in designation between Medicaid savings and Healthy Michigan savings (limited to the amount of actual surplus in each funding source). This flexibility will assist the PIHP in managing their risk associated with the Healthy Michigan population.*


***However, if a shortfall in Medicaid or Healthy Michigan exists, surplus current year Medicaid or Healthy MI Plan funding should be utilized first, if a shortfall still exists then the Medicaid or Healthy MI Plan ISF. Please refer to the Medicaid Risk Calculation instructions for further details.***

### **Section 3.c.1 – Band # 1**

This cell represents the amount available for savings/lapse in the first band and is formula driven. The formula is an IF/THEN/ELSE statement. The formula is *IF Total Available for Savings (3.b.2) is less than or equal to Band # 1 (3.a.1), THEN Total Available for Savings (3.b.2), ELSE Band #1 (3.a.1)*.

### **Section 3.c.2 – Sub-Total – Band # 1**

This cell represents the amount available for savings/lapse after consideration of Band # 1 and is formula driven. The formula is *Total Available for Savings (3.b.2) less Band # 1 (3.c.1)*.

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### Section 3.c.3 – Band # 2

This cell represents the amount available for savings/lapse in the second band and is formula driven. The formula is an IF/THEN/ELSE statement. The formula is *IF Sub-Total Band # 1 (3.c.2) is greater than Band # 2 (3.a.2), THEN Sub-Total Band # 1 (3.c.2), Band #2 (3.a.2).*

### Section 3.c.4 – Sub-Total – Band # 2

This cell represents the amount available for savings/lapse after consideration of Band # 2 and is formula driven. The formula is *plus Sub-Total – Band # 1 (3.c.2) less Band # 2 (3.c.3).*

### Section 3.c.5 – Band # 3

This cell represents the amount available for lapse in the third band and is formula driven. The formula is *plus Sub-Total – Band # 2 (3.c.4).*

### Section 3.c.6 – Totals

This row represents the total lapse, total earned savings and total savings corridor. The row is formula driven. The formula is the *sum of Band # 1 (3.c.1), Band # 2 (3.c.3) and Band # 3 (3.c.5).*

## 5.4 Section 4 – Summary of Total Savings/Lapse

This section will summarize, by funding source, the distribution of savings and lapse that was calculated in Section 3. In acknowledgement of the PIHPs risk exposure related to the Healthy Michigan Plan, if there is a surplus in both Medicaid and Healthy Michigan, the PIHP will be allowed flexibility in designation between Medicaid savings and Healthy Michigan savings (limited to the amount of actual surplus in each funding source). This flexibility will assist the PIHP in managing their risk.

### Section 4 – Column – Total Lapse

This column represents the portion of the surplus funding that must lapse to the MDHHS.

### Section 4 – Column – Total Earned Savings


This column represents the portion of the surplus funding that was earned as saving.

### Section 4 – Column – Total Savings Corridor

This column represents the total savings corridor. The column is formula driven. The formula is *the sum of columns for Total Lapse and Total Earned Savings.*

### Section 4.1 – Total Disposition of Medicaid Savings/Lapse

This row represents the total lapse, total savings and total savings corridor for Medicaid. As indicated above, if there is a surplus in both Medicaid and Healthy Michigan, the PIHP will be allowed flexibility in designation between Medicaid and

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Healthy Michigan. The amount of Medicaid savings earned cannot exceed the amount available for savings reflected in Section 3.b – Balance Available for Savings (From Medicaid FSR).

Enter the amount of Medicaid lapse and/or savings.

#### **Section 4.2 – Total Disposition of Healthy Michigan Savings/Lapse**

This row represents the total lapse, total savings and total savings corridor for Healthy Michigan. As indicated above, if there is a surplus in both Medicaid and Healthy Michigan, the PIHP will be allowed flexibility in designation between Medicaid and Healthy Michigan. The amount of Healthy Michigan savings earned cannot exceed the amount available for savings reflected in Section 3.b.1 – Balance Available for Savings (From Healthy Michigan FSR). Enter the amount of Healthy Michigan lapse and/or savings.

#### **Section 4.3 – Total Savings / Lapse**

This row represents the total Medicaid/HMP lapse and savings. The cells are formula driven. The formula is *plus Total Disposition of Medicaid Savings / Lapse (4.1) and Total Disposition of Healthy Michigan Savings / Lapse (4.2)*.

**Note:** Conditional formatting has been added to assist with reconciliation of the PIHP lapse/savings designation between Medicaid and Healthy Michigan.

### **5.5 Section 5 – Medicaid Savings – Prior Year Earnings to Expend**


This section compares the prior year savings (Medicaid and Healthy Michigan) earned to the amount of prior year savings (Medicaid and Healthy Michigan) being utilized in the current FY. The PIHP shall develop and implement a reinvestment strategy for all savings realized that shall be directed to the Medicaid / Healthy Michigan population. All savings must be invested according to the criteria contain in Section 8.6.2 of the contract. Typically, any earned savings from the prior FY unexpended at the end of the FY must be returned to the MDHHS. However, if a final MDHHS audit report creates new savings, the PIHP will have one year following the date of the final audit to expend the additional savings.

#### **Columns: FY**

Each of the FY columns represents the available FY in which the savings were earned. Enter in the header of each column, the FY that the savings were earned.

#### **Column: Total**

This column represents the total FY available savings and current FY activity. The column is formula driven. The formula is the *sum of FY column 1, FY column 2, FY column 3 and FY column 4*.

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#### **Section 5.a – Prior Year Medicaid Savings Earned - Medicaid**

Enter the amount of Medicaid savings earned from the previous FY(s) and available for use in the current FY. Additionally, as per the column instructions, label each column with the FY in which the Medicaid savings were earned.

#### **Section 5.b – Current Year Expenditures - Medicaid**

Enter the amount of expenditures funded with Medicaid savings. All expenditures funded with Medicaid savings must comply with the PIHP developed Reinvestment Strategy, which was created following the criteria outlined in Section 8.6.2 of the contract. The expenditure amount in the Total column must reconcile with FSR Medicaid line A 123.

#### **Section 5.c – Prior Year Medicaid Savings Earned – Healthy Michigan Plan**

Enter the amount of Healthy Michigan savings earned from the previous FY(s) and available for use in the current FY. Additionally, as per the column instructions, label each column with the FY in which the Healthy Michigan savings were earned.

#### **Section 5.d – Current Year Expenditures – Healthy Michigan Plan**

Enter the amount of expenditures funded with Healthy Michigan savings. All expenditures funded with Healthy Michigan savings must comply with the PIHP developed Reinvestment Strategy, which was created following the criteria outlined in Section 8.6.2 of the contract. The expenditure amount in the Total column must reconcile with FSR Healthy Michigan line AI 123.

#### **Section 5.e – Balance of Medicaid Savings**

This row represents the balance of the prior year Medicaid savings. The row is formula driven. The formulas are the *plus Prior Year Medicaid Savings Earned – Medicaid (5.a) plus Prior Year Medicaid Savings Earned – Healthy Michigan Plan (5.c) less Current Year Expenditures – Medicaid (5.b), less Current Year Expenditures – Healthy Michigan Plan (5.d)*.

### **5.6 Section 6 – Narrative: Both CRCS and Contract Settlement Worksheet**

This section should be utilized to provide comments that will assist in the settlement process. The space can be used for narrative that pertains to both the CRCS and the Contract Settlement Worksheet. If this space is insufficient, please utilize the “Additional Narrative” tab within the FSR Bundle.